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**STATE BOARD OF EQUALIZATION**

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February 4, 1953

[M]  
Certified Public Accountants  
XXX --- ---  
--- --- XX, --

Account -- - XXXXXX

Attention: Mr. [U]

Re: [T]

Gentlemen:

We have examined your letter of protest relating to the imposition of sales tax upon sales of counter display cards by the above-named taxpayer.

We agree with your analysis of Section 6364 of the Revenue and Taxation Code to the extent that it is not essential that the "container" be delivered to the ultimate consumer of the product in order to be exempt from sales tax. Nevertheless, we think the counter display cards here involved are primarily for advertising and display purposes and their use in shipping the articles is merely incidental to that use. For this reason the counter display cards are not "containers" exempt from tax under Section 6364 and Ruling 49.

If you do not agree with our conclusion and desire a hearing before the Board, please notify us and we will the matter set for hearing.

Very truly yours,

E. H. Stetson  
Tax Counsel

JHM:gs